



Haryana Government Gazette

EXTRAORDINARY

Published by Authority

© Govt. of Haryana

No. 97-2019/Ext.] CHANDIGARH, WEDNESDAY, JUNE 12, 2019 (JYAISTHA 22, 1941 SAKA)

HARYANA GOVERNMENT
INDUSTRIES AND COMMERCE DEPARTMENT

Notification

The 12th June, 2019

No. 25/13/2019-4IB-I.— In pursuance to Haryana Agri-Business and Food Processing Policy 2018 notified *vide* No. 1/35/2017-4IB-1 dated 4th June, 2018, the Governor of Haryana is pleased to formulate Scheme for “**Creation/Expansion/Diversification of individual Agro and Food Processing Units**”. The scheme will consist of the following provisions;

1. Objective of the Scheme

The main objective of the scheme is to increase the level of Food Processing, reduction of wastage, value addition, enhance the income of farmers as well as increase in exports thereby resulting in overall development of food processing sector. The scheme envisages to extend the financial assistance for setting up of new food processing units as well as expansion of existing units in the State.

2. Eligible Sectors and Facilities under this scheme

2.1 Food processing sectors, eligible under the scheme will include:

- i. Fruits & vegetables processing
- ii. Milk processing
- iii. Meat, poultry, fish processing
- iv. Ready to eat/ Ready to cook food products/ Breakfast cereals/ snacks/ bakery and other food products including nutritional health foods
- v. Agri-horticultural sectors including food flavors/ food additives and colors, oleoresins, spices, coconut, mushrooms and hops will be covered under the Scheme.

2.2 It will include processes of value addition to produce through methods such as preservation, addition of food additives, drying with a view to preserve food substances in an effective manner and enhance their shelf life and quality.

2.3 Food Packaging which enhances the shelf life of food shall also be considered as a part of food processing and shall be eligible for the all the provisions covered under this policy

2.4 Individual units not eligible for benefits covered under this policy are given as under;

- i. Extraction of oil from different kind of seeds
- ii. Shelling, grading and polishing etc. of rice

(1914)

- iii. Primary Processing of millets
- iv. Manufacturing of all kinds of pulses/dals
- v. Guar and Guar-gum units
- vi. Units engaged in grinding of Wheat, Flour Mills and Manufacturing of Suji, and Maida.
- vii. Aerated water, package drinking water and soft drinks.

3. Eligible organizations/ Entities

Organizations such as Partnership/ Proprietorship Firms, Companies, Corporations, Cooperatives, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc.

4. Components of the Scheme:

- 4.1. The Scheme provides assistance to new/expansion/diversification units setting up in Food Parks (Mega/Mini/Old Food Parks) across State and to individual units setting up in “C” and “D” category blocks outside Food Park.
- 4.2. Existing units taking up expansion and/or diversification with or without forward/ backward integration, with at least 50% additional investment in plant and machinery/ technical civil work as on date of initiating expansion/ diversification and commencing production of said expansion/ diversification during the operative period of the scheme shall be treated as undertaking Expansion/Diversification.

5. Ineligible components: The following items will not be eligible for calculation of the grant for unit

5.1. Ineligible items of civil works

- Compound Wall
- Approach Road/Internal Roads
- Cost of Land and site development
- Administrative Office Building
- Canteen
- Labour Rest Room and quarters for workers
- Security/ Guard Room or enclosure
- Consultancy fee, taxes, etc.
- Other Non-technical civil works not related to food processing facility

5.2. Ineligible list of plant and machinery:

- Fuel, consumables, spares and stores
- Computers, ACs with ducting and allied office infrastructure
- Personal Transport vehicles
- Second hand/ old machines
- Expenditure on painting of machinery
- All types of service charges, carriage and freight charges etc.

Other ineligible items:

- Stationery items
- Consultancy Fee, Margin money, working capital and contingencies shall not be considered as part of eligible project cost for calculating grant-in-aid

The **State Level Committee for Food Processing (SLC-FP)** will be the final authority to decide on the admissibility of the grant and the eligibility or otherwise of the items for this purpose.

6. Pattern of Assistance:

6.1. Capital Investment Subsidy for individual units to be set-up in “C” and “D” category blocks:

25% Capital Investment Subsidy on FCI (fixed capital investment) limited to INR 1 Cr. made available to new units to be set-up in ‘C’ and ‘D’ category blocks.

6.2. Assistance for individual units to set-up in Food Parks in “C” and “D” category blocks

- i. Capital Investment Subsidy: 25% Capital Investment Subsidy on FCI (fixed capital investment) limited to INR 1 cr.
- ii. SGST reimbursement: 100% (net tax) reimbursement for a period of 10 years, from the date of commencement of commercial production with cap of 100% of fixed capital investment (FCI)
- iii. The incentives under this provision shall be applicable to new/expansion/diversification units setting up in food parks and new units to be set-up in “C” and “D” category blocks.

6.3 Assistance for individual units to set-up in Food Parks in “A” and “B” category blocks

- i. Capital Investment Subsidy: 25% Capital Investment Subsidy on FCI (fixed capital investment) limited to INR 50 Lacs .
- ii. SGST reimbursement: 100% (net tax) reimbursement for a period of 10 years, from the date of commencement of commercial production with cap of 100% of fixed capital investment (FCI)
- iii. The incentives under this provision shall be applicable to new/expansion/diversification units setting up in food parks and new units to be set-up in “C” and “D” category blocks.

Note.—

- a. *The grant will be provided only in respect of technical civil works and eligible plant & machinery.*
- b. *Any developer availing the Government of India SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) grant under similar head will not be applicable for availing this scheme.*
- c. *Fixed Capital Investment means original value of investment in Plant & Machinery and cost of technical civil works.*

7. Basic Eligibility Criteria:

- 7.1. An enterprise which commences commercial production after the date of notification of this policy will be eligible under this scheme.
- 7.2. The Proposals for the project should be duly appraised by the Bank/ Financial Institutions
- 7.3. The promoter’s capital/ equity investment on the project should not be less than 20% of the total project cost.
- 7.4. Date of commercial operations should not be prior to the date of submission of application.
- 7.5. The subsidiary company/ related company/ group company of the applicant company has not already availed the grant in aid under this scheme.
- 7.6. The appraisal report should contain the project components for which grant are sought under the scheme
- 7.7. Enterprises availing incentives under this policy will not be eligible to avail incentive under similar head as given in Haryana EPP 2015.
- 7.8. No second proposal from the same applicant/ organization shall be accepted

8. Sanctioning and Disbursal Authority

The Industries and commerce Department, Haryana shall introduce a system for online filing of applications on its website <https://haryanaindustries.gov.in/>

8.1 Sanctioning Authority:

The State Level Committee for Food Processing (SLC-FP) under the Chairmanship of Administrative Secretary, Industries and Commerce Department, Haryana would evaluate and approve/sanction the proposals. The other members of the committee shall be as under:

| Sr. No. | Name and Designation of Officer | Position |
|---------|--|----------|
| 1 | Administrative Secretary Industries and Commerce | Chairman |
| 2 | Managing Director HSIIDC | Member |
| 3 | Director Agriculture | Member |
| 4 | Director Horticulture | Member |
| 5 | Director Animal Husbandry | Member |

| Sr. No. | Name and Designation of Officer | Position |
|---------|--|------------------|
| 6 | Representative of Finance Department (not less than Deputy secretary's rank) | Member |
| 7 | Director Industries and Commerce | Member Secretary |

The concerned department would be involved in the evaluation of project based on the requirement and type of proposal. Any other member in addition to above can also be co-opted by the chairman keeping in view the requirement of the proposal. The quorum of the committee shall be four members.

8.2 Disbursal Authority: The Director of Industries and Commerce Haryana shall be competent to disburse the grant after compliance of the requisite formalities

9. Documents required for online application

The applicants eligible under the scheme and in production between 04.06.2018 and date of notification of the scheme can apply to Office of Directorate of Industries and Commerce within 3 months of the notification of the scheme. The other applicants shall apply on the prescribed performa alongwith complete documents before 2 month of going in to the commencement of production, Condonation of delay for submitting applications upto 60 days shall be decided by Director of Industries & Commerce keeping in view the merits of each case. The following documents are required as per scheme to be uploaded online duly sign by the lead promoter/authorized signatory.

- I. Application in the prescribed format (Annexure-A).
- II. Detailed project report.
- III. Sanction letter of term loan from bank/financial institutions.
- IV. Appraisal report from Bank/Financial Institution.
- V. Certificate of incorporation/registration of the organization, Memorandum and Articles of Association and Bye laws of the society (If applicable)/partnership deed etc.
- VI. Annual reports and Audited Statement of Accounts of last three years, in case of existing establishment.
- VII. Blue print of the building Plan & approval thereof from the Competent Authority.
- VIII. Land title documents i.e. sale deed or lease deed for atleast 10 years period.
- IX. Copy of Udyog Aadhar Memorendum (UAM).
- X. Chartered Engineer Certificate certifying the item wise and cost wise details of Technical Civil works envisaged duly certified by Chartered Engineer (Civil) and Item wise and cost wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).
- XI. No Objection Certificate (NoC)/Change of Land Use (CLU) certificate from the Competent Authority.
- XII. A declaration to the effect:
"that the organization has not obtained/applied for or will not obtain any grant/subsidy from any Ministry/Department of Central Govt./GoI organization/agencies for the same purpose/activity/same components".

10. Release of grant: The financial assistance as grant-in-aid will be released in two equal installments.

10.1. Release of 1st installment of 50% of the approved grant under the scheme will be released after ensuring that 50% of the promoter's contribution & 50% of the term loan have been spent on the eligible project cost and after site inspection conducted to ascertain the commensurate physical progress of the project. The promoter shall submit the documents along with the request for 1st Installment within 6 months from the date of issue of the approval letter.

Documents required:

- (i) Duly notarized Surety Bond- To be executed on Non-Judicial stamp paper of not less than INR 100 (**Annexure –B**)
- (ii) A Declaration as per **Annexure- C**
- (iii) Chartered Accountant Certificate- Actual expenditure incurred on the project showing the means of financing and 50% utilization of promoter's contribution (**Annexure –D**).
- (iv) Utilization certificate of 1st installment as per GFR 19-A duly signed by Chartered Accountant (CA) and counter signed by the Bank and promoter of the beneficiary company. (**Annexure E**)

- (v) An undertaking to the effect that the grant-in-aid shall be utilized for the project and purpose for which it has been sanctioned.
 - (vi) Bank Certificate certifying that they have released 50% of term loan and have no objection on release of 1st installment of grant being provided by the State/UTs (**Annexure F**)
 - (vii) Certificate of Chartered Engineer (Civil) for Technical Civil works indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
 - (viii) Certificate of Chartered Engineer (Mechanical) for Plant & Machinery indicating item wise progress, cost, quantity, manufacturer/supplier and comment on quality.
 - (ix) Site inspection report by a team of officers to be decided by the Additional Chief Secretary Industries.
- 10.2 2nd installment of 50% of the approved grant under the scheme will be released after ensuring the (i) utilization of first installment of grant released, (ii) 100% of promoter's contribution & 100% of term loan have been spent on the eligible project cost and (iii) after conduct of site inspection to ascertain commensurate physical progress of the project.
- Documents required**
- i. Utilization certificate of 2nd installment as per GFR 19-A duly signed by Chartered Accountant (CA) and counter signed by the Bank and promoter of the beneficiary company. (**Annexure E**)
 - ii. CA certificate showing 100% expenditure of promoter's contribution (Annexure-D)
 - iii. Site inspection report by a team of officers to be decided by the Additional Chief Secretary Industries

Note.— *In case the applicant does not avail any term loan, such proposals are compulsorily required to be appraised by any nationalized bank/financial institutions.*

11. Time Schedule:

- 11.1. The time schedule for completion and operationalization of project will be 24 months from the date of approval unless extended by SLC-FP for the reasons to be recorded
- 11.2. The entity shall make all possible efforts to complete the project as per the stipulated timelines committed to while seeking approval for the project. In case of non-adherence to stipulated timeline, except in case of force de majeure or reasons beyond the control of promoter/developer, the state level committee may consider imposing appropriate penalty in terms of reducing the grant amount, on case to case basis.
- 11.3. In case of non-adherence of time lines, a penalty of 1% of the quantum of installment amount due for release of that installment, will be imposed for each month's delay beyond the stipulated timeline. The maximum amount of penalty, however, shall not exceed 10% of the installment to be released to promoter/developer.
- 11.4. In the event of the entity withdrawing from executing the project and the project not being completed by the promoter/developer for any reason, the grant-in-aid amount released will be returned by the promoter/developer along with interest @12% p.a accrued thereon to the industries department within 30 days of communication of the order for refund of such grant.
- 11.5. The units availing grant-in-aid under the scheme would have to remain in production for a period of 5 years from the date of commercial production. In case, the unit is closed before the stipulated period, grant-in-aid shall be recovered along with compound interest @ 12% per annum
- 11.6. The state level Food Processing Committee SLC-FP shall have the final say regarding eligibility or otherwise of the proposals and selection of proposals for grant-in-aid

12. Project Monitoring and Evaluation:

- 12.1. The industries department will periodically review the progress of the projects under the Scheme.
- 12.2. Pre and post inspection would also be undertaken by the Industry officials and State Level Committee for Food Processing (SLC-FP) to find out the physical, financial and operational progress as and when required.
- 12.3. The decision of the SLC-FP shall be final and binding on all concerned parties on the interpretation of the provisions of these guidelines and the matters related / incidental thereto.

Chandigarh:
The 4th June, 2019.

DEVENDER SINGH,
Additional Chief Secretary to Government of Haryana,
Industries & Commerce Department.

Annexure-A

Application Form for Setting up of Individual Units as eligible in scheme:

| Sr. No. | Particulars | Details |
|--|---|---------|
| A. Promoters | | |
| 1. | Name and Address of the Promoter including telephone, fax, e-mail etc. | |
| 2. | Type of organization like Govt. Institution /organization, Industry Association, University, NGO, Co-operative, Entrepreneur, partnership firm, Company, etc. | |
| 3. | Background/credentials of applicant organization. Details of having experience in food processing or supply chain management, if any. | |
| 4. | Financial Status | |
| 5. | Existing Industry, if any | |
| B. Project Description | | |
| 6. | Name of the Project | |
| 7. | Location/Area of the project | |
| 8. | Products/By Products | |
| 9. | Complete flow chart of the activities proposed to be undertaken | |
| 10. | Technology (Indigenous/ imported) | |
| 11. | Capacities of the various components. | |
| 12. | Commodities/ Products to be handled at Unit | |
| C. Project Cost (indicating proposed cost, appraised cost separately) | | |
| 13. | Capital Investment (Fixed Capital): (i) Land Area Cost (ii) Building (iii) Civil Works (iv) Technical Civil Works | |
| 14. | Plant & Machinery (Indigenous) (Capacity/Specifications/Cost) | |
| 15. | Imported Machinery (Capacity/Specifications/Cost) | |
| 16. | Pre-operative expenses | |
| 17. | Working Capital | |
| 18. | Raw Material / Packaging (Source/Quantity/Cost) | |
| 19. | Labour (Quantity/Cost) | |

| | | |
|---|--|--|
| 20. | Effluent Disposal (Method/Machinery/Cost) | |
| D. Means of Finance (indicating proposed & appraised means of finance, separately) | | |
| 21. | Means of Financing: (a) Equity (Promoter/Foreign/Other) (b) Loan (Term/Working capital) (c) Assistance from other sources (d) Fund requirement Total: | |
| 22. | Financial Benchmarks: (a) Cash Flow (b) Break Even Point (c) Internal Rate of Return (d) Debt Equity Ratio (e) Debt Service Coverage Ratio | |
| 23. | Details of quality/ safety standards to be followed (if any) | |
| E. Marketing | | |
| 24. | Marketing: (a) Existing Market (b) Future Demand (c) Marketing Strategy (d) Linkage to farm/backward linkages (e) Forward market linkages | |
| F. Implementation Schedule | | |
| 25. | Item of work Date of implementation (Bar charts, Milestone charts or PERT/CPM may be enclosed) | |
| G. Personnel | | |
| 26. | Details of technical & Managerial personnel (Operation Maintenance, managerial, finance, marketing etc.) required & available | |
| H. Employment Generation- Direct/Indirect | | |
| 27. | a. Direct (Male & Female Separately) b. Indirect (Male & Female Separately) | |

Date:
Place:

Signature
Name and Designation
Seal of the organization

Annexure B**SURETY BOND**

KNOW ALL MEN BY THESE PRESENTS that we, M/s _____, a _____ (Type of organization) incorporated / registered under the _____ (Name of the Act) and having its registered office at _____ (hereinafter called the "Obligors") are held fully and firmly bound to the Governor of State _____ (hereinafter called the "Government") for the sum of Rs. _____ (Rupees _____ only) well and truly to be paid to the Government on demand and without a demur for which payment we firmly bind ourselves and our successors and assignees by these presents.

SIGNED on the _____ day of _____ in the year Two Thousand _____.

WHEREAS on the Obligors' request, the Government as per Sanction Order No. _____ Dated _____ (hereinafter referred to as the "Letter of Sanction") which forms an integral part of these presents, and a copy whereof is annexed hereto and marked as Annexure-I, agreed to make in favour of the Obligors grants-in-aids-in-aid of Rs. _____ (Rupees _____ only) for the purpose of _____ (description of the project) at _____ out of which the sum of Rs. _____ (Rupees _____ only) have been paid to the Obligors (the receipt of which the Obligors do hereby admit and acknowledge) on condition of the Obligors executing a bond in the terms and manner contained hereinafter which the Obligors have agreed to do.

NOW the conditions of the above written obligation is such that if the Obligors duly fulfill and comply with all the conditions mentioned in the letter of sanction, the above written Bond or obligation shall be void and of no effect. But otherwise, it shall remain in full force and virtue. The Obligors will abide by the terms & conditions of the grants-in-aid by the target dates, if any specified therein. THAT the Obligors shall not divert the grants-in-aids and entrust execution of the Scheme or work concerned to another institution(s) or organization(s). THAT the Obligors shall abide by any other conditions specified in this agreement and in the event of their failing to comply with the conditions or committing breach of the bond, the Obligors individually and jointly will be liable to refund to the President of India, the entire amount of the grants-in-aid with interest of 10% per annum thereon. If a part of the grants-in-aid is left unspent after the expiry of the period within which it is required to be spent, interest @10% per annum shall be charged upto the date of its refund to the Government, unless it is agreed to be carried over.

The Obligors agree and undertake to surrender / pay the Government the monetary value of all such pecuniary or other benefits which it may receive or derive / have received or derived through / upon unauthorized use of (such as letting out the premises on adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grants-in-aid was intended of the property) buildings created / acquired constructed largely from out of the grants-in-aid sanctioned by the State Government of _____, or the administrative Head of the Department concerned. As regards the monetary value aforementioned to be surrendered / paid to the Government, the decision of the Government will be final and binding on the Obligors. AND THESE PRESENTS ALSO WITNESS THAT the decision of the Chief Secretary to the State Govt. of _____ on the question whether there has been breach or violation of any of the terms or conditions mentioned in the sanction letter shall be final and binding upon the Obligors and IN WITNESS WHEREOF these presents have been executed as under on behalf of the Obligors the day herein above written in pursuance of the Resolution No. _____ Dated _____ passed by the governing body of the Obligors, a copy whereof is annexed hereto as Annexure-II and by _____ for and on behalf of the Governor of State _____ on the date appearing below:-

Signature of the AUTHORISED SIGNATORY

Signed for and on behalf of

(Name of the Obliger in block letters)

(Seal / Stamp of Organization)

1. Signature of Witness
Name & Address

2. Signature of Witness
Name & Address

TO BE FILLED UP BY DIRECTORATE OF INDUSTRIES & COMMERCE
(ACCEPTED)

For and on behalf of the Governor of State _____

Name: _____

Designation: _____

Dated: _____

Notary Seal & Signature

Annexure C**Declaration of the guarantee**

I S/o Resident
of director / proprietor of M/s
..... do here by solemnly affirms and state as follows:

- (a) That the organization has not obtained/applied for or will not obtain any grant/subsidy from any Ministry/Department of Central Government/GOI organization/agencies and State Government for the same purpose/activity /same components.

Authorized signatory

Annexure D**(Letter Head of the CA)**

CA certificate (With membership No. of CA) in the following format:-

(i) Project Cost:**(Rs. In lacs)**

| Sr. No. | Name of the component/Item | Project Cost | Cost as appraised by the bank | Actual Cost |
|---------|----------------------------|--------------|-------------------------------|-------------|
| 1. | Land | | | |
| 2. | Building/Civil Works | | | |
| 3. | Plant & Machinery | | | |
| 4. | Misc. Fixed Assets | | | |
| 5. | Other's | | | |
| | Total | | | |

(ii) Means of Finance:**(Rs. In lacs)**

| Sr. No. | Item | Project Cost | As per appraisal report | Actual Cost |
|---------|-------------------|--------------|-------------------------|-------------|
| 1. | Promoter's Equity | | | |
| 2. | Term Loan | | | |
| 3. | Unsecured Loan | | | |
| 4. | Grant-in-aid | | | |
| 5. | Other's | | | |
| | Total | | | |

Details of unsecured loans, if any, duly certified by CA.

Signature and Seal of C.A.

Annexure E

Utilization Certificate

(Letter Head of the CA)

Performa as per GFR 19-A

| Sr. No. | Letter No. & Date | Amount |
|---------|-------------------|--------|
| 1. | | |

Certified that out of **Rs.** -----of grant-in-aid sanctioned during the year ----- in favour of ----- under this Ministry/ Department letter No. given in the margin and **Rs.**----- on account of unspent balance of the previous year, a sum of **Rs.** ----- has been utilized for the purpose of ----- for which it was sanctioned, that the balance of **Rs.** ----- remaining un-utilized at the end of the year ---- has been surrendered to Government (vide No. ----dated ----) will be adjusted towards the grants-in-aid payable during the next year -----.

2. Certified that I have satisfied myself that conditions on which the grant-in-aid was sanctioned have been dully fulfilled/ are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised:

- 1.
- 2.
- 3.

Signature (CA)_____

Designation_____

Date_____

Counter signature of
promoter of company
with Seal

Annexure F

(Letter Head of the Bank)

Certificate

1. Certified that this Bank has appraised the Project of M/s _____ (Name and address of the organization) for NMFP grant as per guidelines of the scheme and also sanctioned term loan of Rs. _____ lakh (if applicable).
2. It is further certified that we have released Rs. _____ lakh (____% of sanctioned term loan) to M/s _____ (Name and address of the organization).
3. We have no objection in releasing 1st/2nd/3rd (delete whichever is applicable) installment of grant if sanctioned by the State Govt.

Signature

Name

Branch Manager

Branch IFSC Code

State Mission Director
National Mission on Food Processing (NMFP)
State